

Message Text

CONFIDENTIAL

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12

ACTION EB-03

INFO OCT-01 SS-14 ISO-00 AF-04 L-01 INR-05 CIAE-00 RSC-01

/029 W

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R 290740Z OCT 74

FM AMEMBASSY LUSAKA

TO SECSTATE WASHDC 864

INFO AMCONSUL CAPE TOWN

AMEMBASSY PRETORIA

C O N F I D E N T I A L LUSAKA 2227

LIMDIS

CAPE TOWN FOR EMBASSY

EO 11652: GDS

TAGS: EMIN, ZA

SUBJECT: COPPER COMPANY NEGOTIATIONS

REF: LUSAKA 2126

1. ZAMBIAN MINISTER OF MINES AND INDUSTRY KASHITA TOLD ME AT LUNCH OCT 25 IT HIGHLY UNLIKELY CABINET WILL RESPOND FAVORABLY TO AMAX REQUEST FOR 26 MILLION DOLLAR COMPENSATION SETTLEMENT (AGAINST 22 MILLION DOLLAR OFFER) FOR EARLY TERMINATION OF RCM MANAGEMENT AND SALES CONTRACT WITH GRZ. INSTEAD, GRZ NOW LEANING TOWARD ARBITRATION IN WHICH IT WOULD REDUCE OFFER TO 17 MILLION DOLLARS. REASON GIVEN BY KASHITA IS THAT ANY SETTLEMENT AT 26 MILLION DOLLARS WOULD BE WHOLLY OUT OF LINE WITH 33 MILLION DOLLAR SETTLEMENT WITH ANGLO-AMERICAN FOR ITS INTERESTS IN NCCM.

2. ZACH DE BEER, NCCM'S OUTGOING MANAGING DIRECTOR, WHO HOSTED LUNCHEON IN HONOR ANGLO'S HARRY OPPENHEIMER HERE FOR INDEPENDENCE CELEBRATIONS, GAVE ME ESSENTIALLY SAME STORY, SAYING IT "HIGHLY CONFIDENTIAL." ADDED ANGLO WOULD LOOK RATHER FOOLISH FOR HAVING SETTLED CONFIDENTIAL

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AT LEVEL IT DID IF GRZ LATER AGREED TO DISPROPORTIONATE

26 MILLION DOLLARS FOR AMAX.

3. IMPRESSION INESCAPABLE THAT SOUTH AFRICAN INTERESTS
IN ANGLO ARE ACTIVELY BALKING AT THOUGHT OF BETTER TERMS
FOR AMAX INTERESTS EVEN THOUGH: A) ANGLO HAS SMALL
PERCENTAGE SHARE IN RCM, AND B) IT GENERALLY ACCEPTED
ANGLO'S SETTLEMENT FOR NCCM WAS IN PART POLITICALLY
MOTIVATED.

WILKOWSKI

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NNN

Message Attributes

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